

sound principles, or an approximation to sound principles, even supposing the duties themselves were necessary. It must be perfectly clear that with a long frontier like that between Canada and the United States, in a comparatively unsettled country, large facilities would exist for the carrying on of an illicit trade. It was, therefore, plain that if Canada imposed duties upon articles which were imported free into the United States, from America the supply by smuggling would come and the Treasury would not receive the duties. The same result would apply if the duties in Canada were high and those in America low. The articles which formed the bulk of the indirect revenue of England had been, until the American war broke out, free from duty in the United States. There had been no excise duty on spirits; there had been no duty on tea except when imported in foreign ships; and there had been no duty upon sugar and tobacco. These, whence the bulk of the British revenue was derived, were admitted to be fair articles of taxation, and the only limit that could be put upon them was that regulated by consumption. In Canada, although some advocated it, they did not adopt the American principle; duties had always been imposed on tea, sugar, and tobacco, and limited excise duties on spirits. These duties had formed an important part of their revenue, but they had never been so high as absolutely to encourage smuggling from the United States. Having got as much from these articles as they could get, they had to supply the deficiency from the other articles imported into the country. The principle adopted in Canada had been that of admitting all raw materials free. The next class of articles were those which had received a certain amount of manufacture, but which could not be used till they had received a certain amount of re-manufacture, and upon them a 10 per cent. duty was imposed; and upon articles fully manufactured the duty was 20 per cent. The main bulk of the customs' revenue was undoubtedly derived from the 20 per cent. duty, but the result of the whole was an average of 17 per cent. Had they imposed a lower duty, they would still not have been sufficiently low to have heretofore produced a demand from the United States, whose duties had averaged 24 per cent. The object of the Government was to obtain the means of keeping up the credit of the country, and it was not intended, as had been stated, to introduce a protective system. He confessed, however, there were some articles, not of very great importance, that bore that character. The best evidence that could be offered against the charge of protection was that the effect of the tariff had not been to produce manufactures. The manufactures in Canada were those which might be expected in a new country—nails, steam engines, coarse woollens, and other articles necessary in